

A & M FEBCON LIMITED

Reg. Office: A-2, HIRA ANAND TOWER, GORDHANWADI TEKARA, KANKARIA,
AHMEDBAD - 380008, GUJARAT

CIN: U28113GJ2013PLC075662

Email Id: aandmfebcon@gmail.com

Mo. No.: 9825363594

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Introduction

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) the Board of Directors (“Board”) of **A & M FEBCON LIMITED** (“Company”) has adopted the following policy with respect to the determination of Material Subsidiaries.

2. Policy Objective

The objective of this policy is to lay down criteria for identification and dealing with Material Subsidiaries and to formulate a governance framework for subsidiaries of the Company.

3. Definitions

- i. **“Act”** means Companies Act, 2013.
- ii. **“Audit Committee”** means “Audit Committee” constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- iii. **“Board of Directors” or “Board”** means the “Board of Directors” of **A & M FEBCON LIMITED**, as constituted from time to time.
- iv. **“Company”** means **A & M FEBCON LIMITED**.
- v. **“Independent Director”** means a Director of the Company, not being a Managing or Whole-Time Director or a Nominee Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies the criteria of independence as prescribed under the provisions of the Companies Act 2013 (including the rules prescribed thereunder) and the SEBI (Listing Obligations and Disclosure Requirements)

Regulations 2015.

vi. “Material Subsidiary”

It shall mean a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the listed entity & its subsidiaries in the immediately preceding accounting year.

vii. “Unlisted Subsidiary” shall mean a subsidiary not listed on the recognized Stock Exchanges.

viii. “Policy” means this Policy, as amended from time to time.

ix. “Significant Transaction or Arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

x. “Subsidiary” shall mean a subsidiary as defined under the Act and the rules made there under.

4. PROVISION WITH REGARD TO SUBSIDIARY COMPANIES

- a. The Audit Committee of the Company shall, periodically, review the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- b. The minutes of the Board meetings of the unlisted subsidiary companies shall, periodically, be placed at the Board meeting of the Company.
- c. The management should periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

5. PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY COMPANIES

- a. At least one independent director on the Board of Directors of the listed entity shall be a director on the Board of Directors of an unlisted material subsidiary, incorporated in India;
- b. The Audit Committee shall on an annual basis review the list of all subsidiary companies of the Company for determining/considering their materiality, as defined herein, and

- make suitable recommendations.
- c. The Company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court /Tribunal;
 - d. The Company shall not sell, dispose and lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without passing special resolution in its General Meeting unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal.

6. Amendment(s)

The Board of Directors may review or amend this policy, in whole or in part, from time to time, based on the recommendations of the Audit Committee and as per the requirements of the Act or Regulations or guidelines and any such other enactments/rules as may be applicable.

7. Disclosures

The Policy shall be disclosed on the Company's website and a web link thereto shall also be provided in the Annual Report of the Company.

8. Interpretation

In the event of any conflict between the provisions of this Policy and the Act or Regulations or any such other statutory enactments/ rules, as applicable shall prevail over this Policy.